



TSI HOLDINGS

April 10, 2026

(Translation)

To Whom It May Concern

Company	TSI Holdings Co., Ltd.
Representative	Tsuyoshi Shimoji, Representative Director & President
Stock Listing	Tokyo Stock Exchange Prime Market (Code: 3608)
Inquiry	Shunsuke Hasegawa, Public & Investor Relations Office +81 (0)3 5785 6400

**Notice Regarding the Establishment of the TSI Foundation for Future Fashion  
and the Disposal of Treasury Shares through Third-Party Allotment**

TSI Holdings (the “Company”) hereby announces that, at the meeting of the Board of Directors held today, it resolved to establish the TSI Foundation for Future Fashion (the “Foundation”) and, in order to provide continuous and stable support for the Foundation’s activities, to dispose of treasury shares by way of a third-party allotment (the “Treasury Share Disposal”).

The establishment of the Foundation and the Treasury Share Disposal are subject to approval by special resolution at the 15th Annual General Meeting of Shareholders scheduled to be held on May 22, 2026.

**1. Establishment of the Foundation**

(1) Purpose of Establishment

The Company conducts all its business activities in line with its purpose: “We create global empathy and social value through the power of fashion entertainment.” Guided by this purpose, the Company aims to bring vibrancy to communities and energy and passion to people through the power of fashion.

The Company believes that, to continue delivering happiness through fashion by offering products that meet customers’ needs, it is essential to promote a society and culture in which fashion can be enjoyed sustainably. Therefore, the Company has decided to establish the Foundation with the goal of creating a society where more people can enjoy fashion by tackling social issues related to fashion through both corporate activities and the Foundation’s initiatives.

The Foundation will participate in activities that serve the public interest, including developing the next generation of creators who will shape the future of the apparel industry and fashion culture, protecting the environment and biodiversity, and supporting healthy local communities. Through these efforts, the Foundation aims to help build a society where a vibrant culture of enjoying fashion can thrive while also increasing sustainable corporate value.

## (2) Overview of the Foundation

(i) Name	TSI Foundation for Future Fashion (General Incorporated Foundation)
(ii) Location	8-5-27 Akasaka, Minato-ku, Tokyo, Japan
(iii) Representative Director	Tsuyoshi Shimoji (tentative)
(iv) Key Activities	a. Initiatives to support the development of the next generation through scholarships and grants b. Biodiversity Initiatives c. Community Initiatives
(v) Annual Budget	Approximately ¥40million (planned for the initial fiscal year)
(vi) Date of Establishment	June 2026 (planned)
(vii) Other	The Foundation's articles of incorporation are expected to stipulate that the voting rights attached to the Company's shares held by the Foundation will not be exercised

## 2. Treasury Share Disposal

### (1) Outline of the Treasury Share Disposal

(i) Scheduled Date	To be determined
(ii) Number of Shares	630,000 shares of the Company's common stock (0.99% of the total number of issued shares)
(iii) Disposal Price	¥1 per share
(iv) Total Proceeds	¥630,000
(v) Method of Offering or Disposal	Disposal of treasury shares by way of a third-party allotment
(vi) Allottee	TSI Foundation for Future Fashion
(vii) Other	With respect to the Treasury Share Disposal, the Company has submitted a securities notification statement in accordance with the Financial Instruments and Exchange Act. The Treasury Share Disposal is subject to approval by special resolution regarding an issuance at a favorable price at the 15th Annual General Meeting of Shareholders scheduled to be held on May 22, 2026. Other matters relating to the disposal will be resolved at a meeting of the Board of Directors to be held after such shareholders meeting.

\* Percentage based on the total number of issued shares (including treasury shares) of 63,438,793 as of the end of February 2026

### (2) Purpose and Rationale for the Disposal

The Company believes that providing consistent and stable support for the Foundation's activities will help the overall growth of the fashion industry and the development of human capital. In turn, this will also boost the Company's corporate value by strengthening its brand and creating a more resilient supply chain.

Through the specific initiatives outlined below, the Company aims to support the sustainable and long-term growth of the Group, as well as to improve its medium- to long-term corporate value.

(i) Initiatives

(a) Next-Generation Development Initiatives

(1) Scholarship Programs

Programs designed to offer scholarships to future creators with the goal of nurturing individuals who will contribute to the growth of fashion culture.

(2) Grant Programs

Programs to support young people who will shape fashion culture as creators

(b) Biodiversity and Environmental Initiatives

Support for initiatives that promote environmental conservation and restoration, including biodiversity.

(c) Community Initiatives

Contributions to healthy local communities and humanitarian aid, focusing on promoting the enjoyment of fashion.

(ii) Relationship to Enhancement of Corporate Value

Through its activities, the Foundation is expected to contribute to the long-term development of fashion culture and therefore increase corporate value as follows:

(a) Enhancing long-term corporate value by fulfilling the Company's purpose.

(b) Growth in economic value created through brand development driven by individuals shaping the future of the fashion industry.

(c) Expansion of the apparel market through the development of fashion culture in the regions where the Foundation operates

(d) Enhance employee engagement and attract talented individuals by fostering empathy for the Foundation's activities among staff.

(e) Increasing brand recognition and credibility by spreading information and the influence of beneficiaries supported by the Foundation.

(3) Amount, Use of Proceeds, and Expected Timing of Expenditures

(i) Amount of Proceeds

(a)	Total Amount to be Paid-in	JPY 630,000
(b)	Estimated Issuance Expenses	JPY 0
(c)	Estimated Net Proceeds	JPY 630,000

(ii) Use of Proceeds

The estimated net proceeds stated above will be used to cover expenses necessary for establishing and implementing the Foundation-related scheme.

(4) Rationale for the Use of Proceeds

The proceeds will be used to cover expenses related to the consideration and structuring of the Foundation-related scheme. These expenses are necessary for establishing the scheme, and the Company considers the use of proceeds to be reasonable.

(5) Reasonableness of the Terms and Conditions of the Disposal

(i) Basis for Determining the Disposal Price and Details Thereof

The Treasury Share Disposal aims to support the Foundation's activities, with the proceeds used for

expenses necessary to establish the Foundation-related scheme, as described in (3) (ii) above. Therefore, the disposal price of ¥1 per share is deemed reasonable.

As this Treasury Share Disposal constitutes an issuance at a favorable price to the Foundation, it is subject to approval by special resolution at the 15th Annual General Meeting of Shareholders scheduled to be held on May 22, 2026.

#### (ii) Basis for Assessing the Reasonableness of the Number of Shares to Be Disposed and the Level of Dilution

To ensure the Foundation's activities run continuously and smoothly, the scale of share disposals that support these activities is deemed reasonable.

Additionally, under this scheme, the shares to be disposed of are not expected to be released into the market for now. As a result, the effect of the Treasury Share Disposal on the secondary market is likely to be limited, which makes the scale of the disposal reasonable.

Additionally, the dilution level from the Treasury Share Disposal is about 0.99% of the total issued shares (63,438,793 shares) (rounded to the nearest hundredth), which is minor and is expected to have a limited market impact.

Moreover, as separately announced today in the “Notice Regarding Acquisition of Treasury Shares and Cancellation Thereof,” the Company plans to acquire treasury shares in an amount exceeding the shares to be disposed of under the Treasury Share Disposal and intends to take measures to reduce dilution.

Based on the foregoing, the Company has determined that the level of dilution resulting from the Treasury Share Disposal is reasonable.

#### (6) Reasons for the Selection of the Allottee, etc.

##### (i) Overview of the Allottee

Please refer to 1. (2) Overview of the Foundation above.

##### (ii) Reasons for Selecting the Allottee

As described in 2. (2) Purpose and Rationale for the Disposal above, the Company believes that the Foundation's support for next-generation creators and related initiatives will strengthen the Group's corporate value over the medium to long term. Therefore, the Company has decided that it is appropriate to designate the Foundation as the allottee.

##### (iii) Shareholding Policy of the Allottee

The Foundation plans to hold the Company's common shares long-term, as dividends from these shares will be a main source of funding for its activities.

Additionally, if the Foundation transfers all or part of the allocated shares within two years from the date of allotment, it must immediately report to the Company in writing the name and address of the transferee, the number of shares transferred, the transfer date, the transfer price, the reason for the transfer, and the transfer method. The Company will then report this information to the Tokyo Stock Exchange, and it will be available for public inspection. The Company also intends to obtain a written commitment from the Foundation to this effect.

Furthermore, the Foundation will not exercise the voting rights attached to the Company's shares on an ongoing basis (this will also be stipulated in its articles of incorporation).

(iv) Confirmation of the Existence of Assets Necessary for Payment by the Allottee

The Foundation will make the payment in cash from funds provided by the Company at the time of its founding.

(7) Major Shareholders and Shareholding Ratios After the Disposal

Shareholder	Shareholding Ratio Before Disposal (%) (as of February 28, 2026)	Shareholding Ratio After Disposal (%)
Custody Bank of Japan, Ltd. (Trust Account)	13.70	13.56
Alpen Co., Ltd.	6.09	6.02
Nippon Life Insurance Company	5.88	5.82
Mizuho Bank Ltd.	4.98	4.93
Sumitomo Realty & Development Co., Ltd.	4.32	4.27
Sumitomo Mitsui Banking Corporation	3.70	3.67
Custody Bank of Japan, Ltd. (Trust Account)	3.51	3.47
Riki Co., Ltd.	3.07	3.04
Fumihiko Hasegawa	2.77	2.74
Masahiko Miyake	1.86	1.84

Notes:

The shareholding ratios before disposal are calculated based on the total number of issued shares (63,438,793 shares) after deducting treasury shares of 4,349,296 shares.

The shareholding ratios after disposal are calculated based on the total number of issued shares as of March 31, 2026, taking into account any increase or decrease in the number of shares resulting from the Treasury Share Disposal.

(8) Future Outlook

The Company believes that the impact of this matter on its financial results will be immaterial. The Company will promptly disclose any matters that require disclosure as they arise.

(9) Matters Concerning Procedures under the Corporate Governance Code

This third-party allotment does not require the procedures set forth in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, including obtaining an opinion from an independent third party or confirming the intent of shareholders, as (i) the dilution ratio is less than 25%, and (ii) it does not involve a change in controlling shareholders.

(10) Financial Results for the Past Three Years and Status of Equity Financing

(i) Financial Results for the Past Three Years (Consolidated - JPY)

	FY2024	FY2025	FY2026
Net Sales	155,383 million	156,606 million	167,085 million
Operating Income	1,760 million	1,636 million	4,325 million
Ordinary Profit	3,758 million	2,076 million	5,440 million
Profit Attributable to Owners of Parent	4,849 million	15,230 million	3,793 million

Basic Earnings per Share	59.97	210.02	60.48
Dividends per Share	15.0	65.0	40.0
Net Assets per Share	1,287.25	1,553.70	1,704.79

(ii) Recent Share Price Trends

(a) Share Price Trends for the Past Three Years (JPY)

	FY2024	FY2025	FY2026
Opening Price	614.0	655.0	1,211.0
High Price	881.0	1,352.0	1,270.0
Low Price	582.0	633.0	939.0
Closing Price	655.0	1,199.0	1,151.0

(b) Share Price Trends for the Past Six Months (JPY)

	Oct	Nov	Dec	Jan	Feb	Mar
Opening Price	1,056.0	950.0	989.0	1,047.0	1,068.0	1,127.0
High Price	1,056.0	1,000.0	1,090.0	1,124.0	1,164.0	1,127.0
Low Price	943.0	939.0	975.0	1,022.0	1,060.0	1,021.0
Closing Price	957.0	989.0	1,044.0	1,053.0	1,151.0	1,063.0

(c) Share Price on the Business Day Immediately Preceding the Resolution Date (JPY)

	April 9, 2026
Opening Price	1,117.0
High Price	1,125.0
Low Price	1,108.0
Closing Price	1,113.0

(iii) Equity Financing Activities for the Past Three Years

None.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.
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# Concept Behind the Establishment of the TSI Foundation for Future Fashion

Supplementary Materials for the Agenda Items of  
the 15th Annual General Meeting of Shareholders



## **TSI Holdings Group Corporate Philosophy**

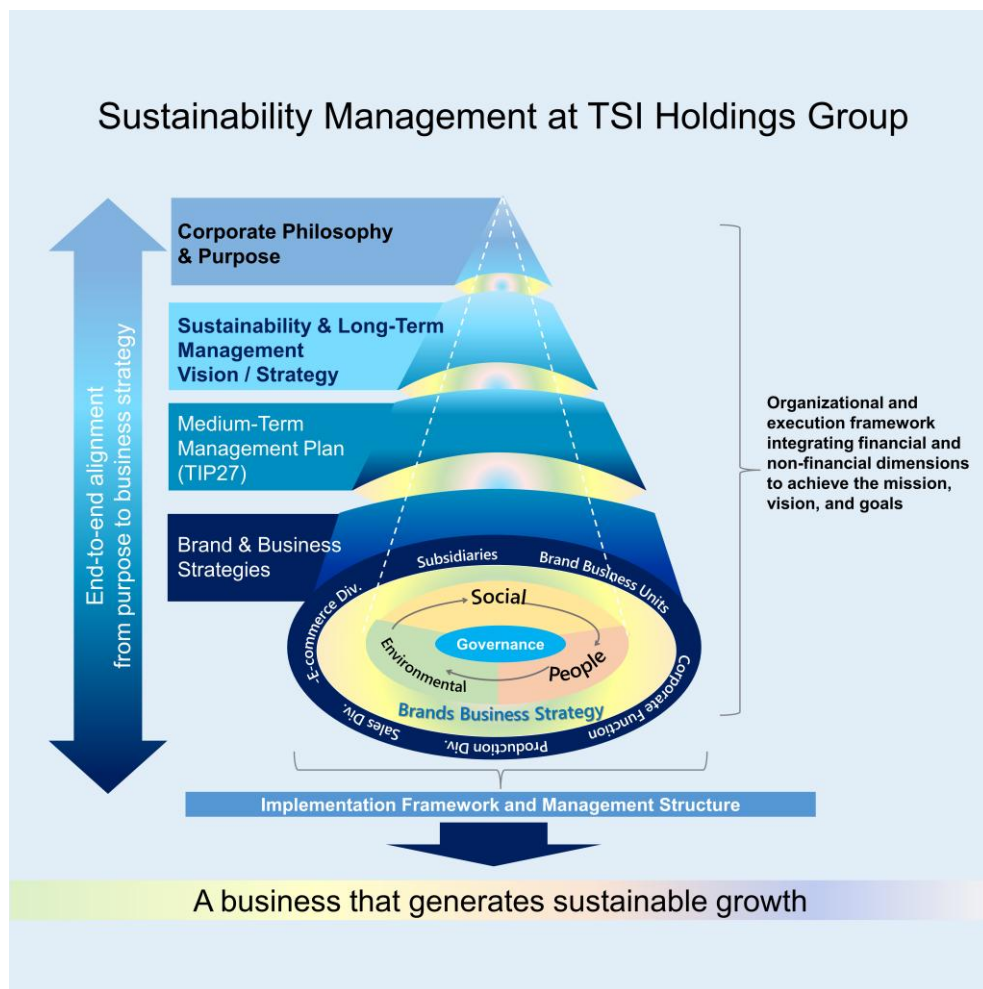
**Concept Behind  
the Establishment of the Foundation**

# Concept Behind the Establishment of the Foundation

- Under its purpose, “We create global empathy and social value through the power of fashion entertainment,” the Company aims not only to provide value to society through its business activities but also to identify and minimize any negative impacts arising from those activities. This approach promotes sustainable management.
- At the same time, to shape the future of the fashion industry, it is crucial to continuously invest in areas of high public interest that cannot be fully addressed through business activities alone. Therefore, the Company believes that establishing a foundation as an independent organization and promoting initiatives through the Foundation will support the sustainable growth of the entire fashion industry.
- **By enabling the Company and the Foundation to operate as two complementary pillars, each fulfilling its respective role, the Company aims to establish a new value creation model that will ultimately boost its mid- to long-term corporate value.**

# Corporate Philosophy & Purpose

Under its corporate philosophy, the Company operates with the following purpose:  
“We create global empathy and social value through the power of fashion entertainment.”



## Philosophy

We create value that inspires people through fashion, and share with society the joy of living for tomorrow.

## Purpose

We create global empathy and social value through the power of fashion entertainment.

## Vision

We aim to become the most loved global group by staying ahead of current trends and delivering the highest-quality creative and lifestyle offerings.

# TSI's Direction

The Company aims to deliver fashion not just as something to wear, but as “fashion entertainment” that brings happiness and joy.

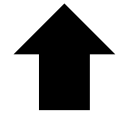
## TSI's Direction



Community  
Development



Fashion for  
Well-being



Self-expression  
and  
Individuality

A creator of fashion entertainment that brings vibrancy to cities and energy and passion to people through the power of fashion

# Overview of the Foundation

Name	<b>TSI Foundation for Future Fashion (General Incorporated Foundation)</b>
Purpose	The Foundation aims to contribute to the creation of a rich society in which fashion can be enjoyed by engaging in social contribution activities of high public interest, such as developing next-generation creators who will lead the future of the apparel industry and supporting environmental conservation that supports a healthy society.
Overview	<b>Representative Director</b> Tsuyoshi Shimoji (tentative)
	<b>Key Activities</b> 1. Next-Generation Development Initiatives (1) Scholarship Program (2) Grant Program 2. Biodiversity Initiatives 3. Community Initiatives
	<b>Date of Establishment</b> June 2026 (planned)
	<b>Fiscal Year</b> May 1 to April 30 (planned)
	<b>Number of Shares to be Disposed</b> 630,000 shares (0.99% of the total number of issued shares of 63,438,793)
<b>Disposal Price</b> ¥1 per share	

# Enhancing Corporate Value through the Foundation's Initiatives

The Foundation's activities are expected to boost the growth of the overall fashion industry and expand human capital, thereby increasing the Company's corporate value through stronger brand recognition and a more resilient supply chain.

## Advancing the Company's Purpose and Enhancing Corporate Value through the Foundation's Initiatives

### Advancing the Company's Purpose

"We create global empathy and social value through the power of fashion entertainment."

### Enhancing Corporate Value

Market Growth	<ul style="list-style-type: none"><li>✓ The Foundation's grant programs aim to foster innovation and drive growth in the fashion industry.</li><li>✓ These efforts are expected to increase customer engagement with fashion, leading to greater sales and revenue opportunities.</li></ul>
Human Capital	<ul style="list-style-type: none"><li>✓ The Foundation's programs are expected to develop talent and expand human capital across the fashion industry.</li><li>✓ They are also expected to broaden future engagement with the Company as customers, partners, employees, and brand ambassadors.</li></ul>
Brand Value	<ul style="list-style-type: none"><li>✓ Continuous communication of activities that reflect the Company's purpose is expected to build empathy and trust among all stakeholders, including customers, investors, and business partners.</li></ul>
Supply Chain	<ul style="list-style-type: none"><li>✓ Supporting local communities is expected to improve relationships with regions and business partners, helping to build a stronger supply chain.</li></ul>

# Rationale for Establishing the Foundation

Through the Foundation, the Company aims to ensure the stable and continuous implementation of high public-interest initiatives, supported by dividends and independent of its business performance.

## When conducted within the Company

- Influenced by business performance, the operating environment, and management priorities, limiting continuity
- Profit-driven decision-making leads to discretionary choices that limit truly high public-interest initiatives

## When conducted through the Foundation

- Independent from the Company, enabling stable and continuous high-impact public-interest initiatives aligned with its founding purpose
- Activities selected based on alignment with the Foundation's purpose

Funded by dividends from the Company

## When funded by donations

- Funding fluctuates with business performance, the operating environment, and management priorities, limiting stable continuity
- Direct impact on the Company's profit and loss

## When funded by dividends

- Stable funding independent of business performance
- Shareholder returns support Foundation activities and contribute to medium- to long-term value creation

# TSI's Materiality

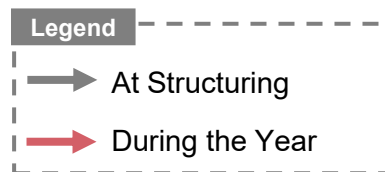
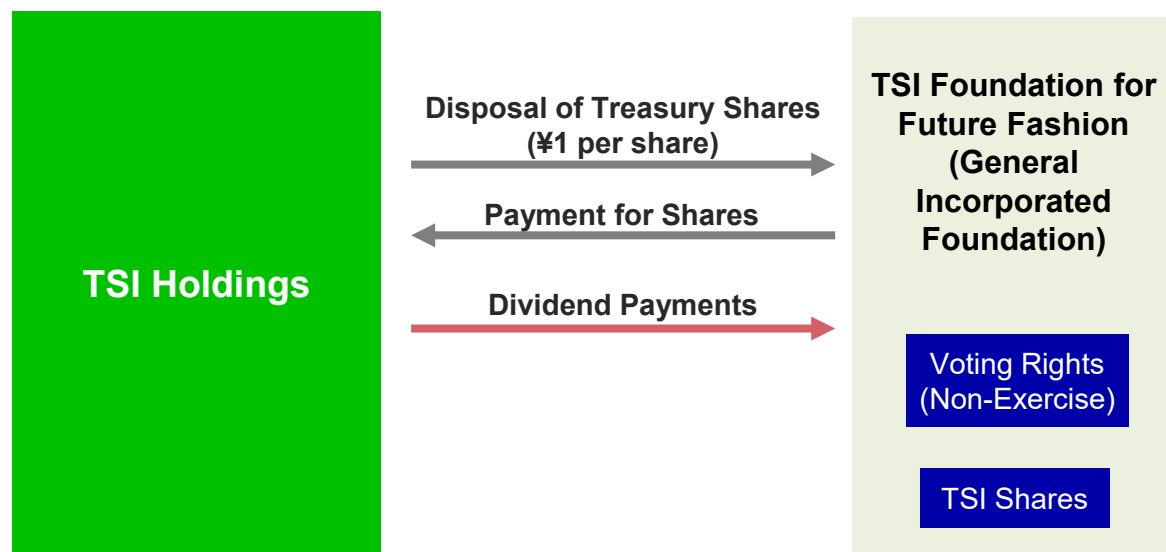
The Foundation's activities closely align with the Company's materiality themes, such as biodiversity, co-creation with local communities, next-generation development, and social contribution.



Focus	Material Issue	Target/KPI
Environmental	1 Energy	<ul style="list-style-type: none"> <li>•Long-term: Achieve carbon neutrality by 2050</li> <li>•Realize net-zero GHG emissions</li> <li>•Medium-term: Reduce Scope 1 &amp; 2 emissions by 48% by FY2031</li> <li>•Reduce Scope 3 emissions by 35% by FY2031</li> </ul>
	2 Raw Materials	<ul style="list-style-type: none"> <li>•Short-term: Use low environmental-impact materials (as defined by TSI) in 3% of all products by FY2027</li> <li>•Medium-term: Use low environmental-impact materials (as defined by TSI) in 20% of all products by FY2031</li> </ul>
	3 Waste Management	•Achieve zero disposal of apparel products
	4 Water Management	<ul style="list-style-type: none"> <li>•Short-term: Reduce water consumption in raw materials by 50% by FY2027 (compared to FY2020)</li> <li>•Medium-term: Reduce water consumption in raw materials by 60% by FY2031 (compared to FY2020)</li> </ul>
	<b>5 Biodiversity</b>	<b>•Conservation and restoration of biodiversity in raw material production areas</b>
People	6 Diversity & Inclusion	<ul style="list-style-type: none"> <li>•Short-term: Women in management 35% (20% in senior management) by FY2027</li> <li>•Medium-term: Women in management 40% (senior management: 30%) by FY2031</li> </ul>
	7 Health & Safety	100% participation in health checkups and mental health assessments
	8 Employee Well-being	<ul style="list-style-type: none"> <li>Short-term: Achieve an average of 7 hours of total annual training per employee by FY2027</li> <li>Medium-term: Achieve an average of 10 hours of total annual training per employee by FY2031</li> </ul>
	9 Fair Labor Practices	<ul style="list-style-type: none"> <li>Labor union membership rate: 100%</li> <li>Supplier Code of Conduct confirmation receipt rate: 100%</li> <li>Document-based audits conducted for suppliers accounting for the top 80% of transaction value: 100%</li> </ul>
Social	<b>10 Co-creation with Local Communities</b>	<b>•Sustainability events conducted in partnership with municipalities under regional cooperation agreements</b>
	<b>11 Next-Generation Talent Development</b>	<b>•Educational programs on sustainable fashion conducted as donation-based classes</b>
	<b>12 Support for Society</b>	<b>•Support provided to socially vulnerable individuals through fashion initiatives</b>

# Funding Structure Overview

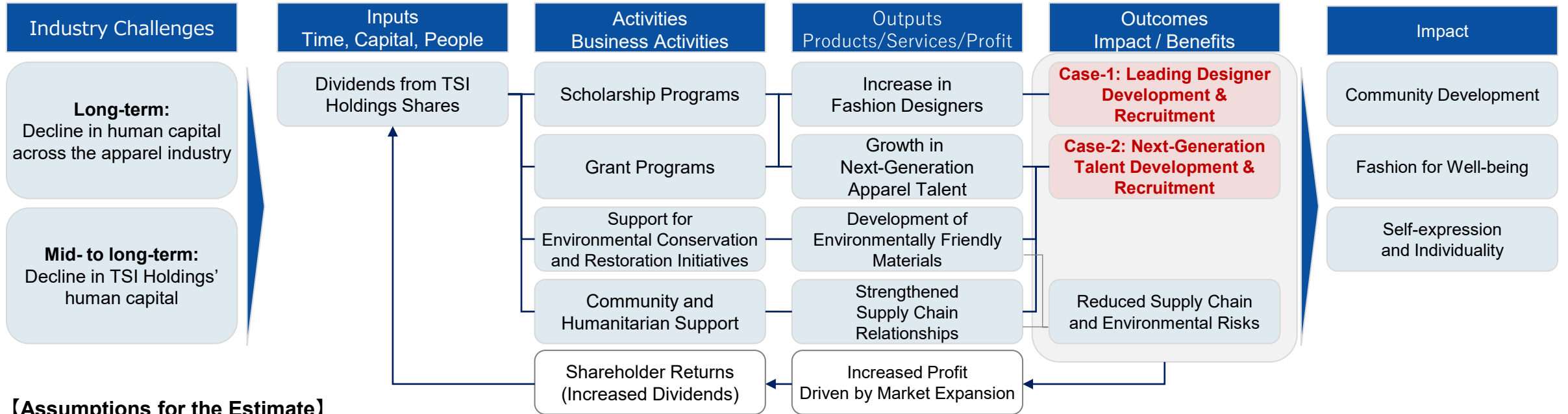
The Company will allocate treasury shares to the Foundation, allowing it to operate steadily and continuously through dividend income. To address concerns about shareholder stability or anti-takeover provisions, the voting rights of treasury shares allocated to the Foundation will not be exercised.



Number of Shares to be Disposed	Common shares: 630,000 shares (0.99% of the total number of issued shares)
Disposal Price	¥1 per share
Amount of Funds to be Raised	¥630,000
Method of Offering or Disposal	Disposal by way of third-party allotment
Allottee	TSI Foundation for Future Fashion (General Incorporated Foundation)
Scheduled Date of Disposal	To be determined
Other Matters	The Company has filed a securities report in accordance with the Financial Instruments and Exchange Act regarding the disposal of treasury shares. The disposal is subject to approval by a special resolution for a favorable issuance at the 15th Annual General Meeting of Shareholders scheduled for May 22, 2026. Other matters related to the disposal will be decided at a meeting of the Board of Directors following the Annual General Meeting.

# Illustrative Impact of the Foundation's Initiatives on Corporate Value and Simplified Estimates

The Foundation's activities are expected to address declining human capital and generate ¥4,800 million in long-term shareholder value.



## 【Assumptions for the Estimate】

### Case-1

The scholarship program is expected to develop 50 designers over five years, of whom one is assumed to join the Company. One designer who joins the Company is expected to launch a brand and generate ¥3.0 billion in sales.

### Case-2

2,500 professionals developed over five years; 100 assumed to join the Company. These employees generate ¥4.0 billion in sales.

	Number of Hires by the Company	Net Sales	Total Amount	Operating Income*	Net Income	PER	Market Capitalization
<b>Case-1:</b> Leading Designers Approx. 50	1 (2%)	Approx. ¥3,000 million (Brand launch)	Approx. ¥7,000 million	Approx. ¥560 million	Approx. ¥400 million	Approx. 12x	Approx. ¥4,800 million
<b>Case-2:</b> Next-Generation Apparel Talent Approx. 2,500	100 (4%)	Approx. ¥4,000 million					

\* Assuming an 8% operating margin and a PER of 12x, the impact on market capitalization is estimated.

# Engagement with Shareholders

To minimize dilution, the allocation will be limited to less than 1%, and a share repurchase program will be implemented.

To address concerns regarding shareholder stabilization or anti-takeover measures, the voting rights of the allocated shares will not be exercised.

## Mitigation of Dilution

- ▶ To minimize dilution, the allocation to the Foundation is limited to 0.99% of the total number of issued shares.
- ▶ In consideration of the impact on the stock market, the Company has also established a share repurchase program as a dilution mitigation measure, as announced in the “Notice Regarding Acquisition of Treasury Shares and Cancellation Thereof” released on the same day.

## Voting Rights

- ▶ To address concerns that this series of transactions may be viewed as a measure for shareholder stabilization or as an anti-takeover measure, the Foundation’s articles of incorporation will stipulate that voting rights will not be exercised on a continuing basis.

*We create empathy and social value across the world  
through the power of fashion entertainment.*

**Creator of Fashion Entertainment**

TSI HOLDINGS GROUP